



FAQ

Contra Costa County 9 Union Healthcare Coalition – Tentative Agreement

Will the healthcare struggle be over if we ratify the Tentative Agreement (TA)? Good question! The answer is NO. We won Phase 1 by getting the County to pay a fairer share of the costs and equalize subsidies across plans. In Phase 2, we will work collaboratively with the County to focus on bringing new plans into the market that have quality, affordable options and will increase competition between providers. Additionally, with this deal we will have a seat at the table with the County to help negotiate premium increases with plan providers going forward. We expect to continue to lower health care costs in Phase 2, but we need this Phase 1 fix to do so. The fight for affordable healthcare should be a joint struggle shared by the employer and employee unions working together with the health plan carriers to keep costs down. With this TA, we created the conditions to work with the County moving forward.

I see some really big projected savings over the term of the TA, what is that calculation based on?

Over the past 15 years, the average healthcare premium increase comes out to 8% per year. Both the Coalition unions and the County have used that as a baseline to estimate what healthcare premiums are likely to be in the future. Without a healthcare system fix that increases competition and helps keep the annual premium increases down, we can reasonably expect an average of 8% increases over time. It's clear that under the current healthcare terms, we would be in worse and worse shape each year. That's why this fix is so badly needed!

Why is the Bargaining Team recommending a YES vote? This deal constitutes a huge win for County workers. It includes across-the-board wage increases that are competitive with those of other Bay Area public employers. It also makes the County pay an increasingly fairer share of healthcare costs, provides money for fixing some additional special compensation issues, wins an HSA contribution for the Kaiser high deductible plans, and puts us at the table to bring new plans into the market and negotiate regarding premium increases in the future. For full details, see the accompanying information!

What happens if we don't ratify the Tentative Agreement? Any unions whose members reject the TA would go back to the table and negotiate into next year, when our contracts are set to expire. We would have to pay 50% of the premium increases for 2019, which are: 9.02% for CCHP, 11.9% for Kaiser, 10.9% for Health Net HMO, and 14.74% for Health Net PPO. The plan savings for 2019 would no longer be in effect. There would not be a second open enrollment period in December to make different plan choices. We would also not be entitled to work on bringing a new plan to the market for 2020, as the

deadline for identifying such a plan is early next spring. It is also the belief of the Bargaining Team that it would be extremely difficult to change the deal substantially in full bargaining next year.

Are there any downsides of this deal? Your Bargaining Team recommends this deal because it puts more dollars into members' paychecks and makes huge progress toward fixing the County's broken healthcare system without any concessions. Because the County has been paying different amounts towards different health plans and plan tiers, and different amounts to different unions, equalizing County cost sharing across plans will affect everyone differently. Under this deal, all plans will see major gains as compared with where we would be without a deal. As a result of equalization, some plans will also see huge savings compared with what they currently cost, and some plans will see more of a flattening of costs (Health Net is an outlier- please see below). Some members will want to select new plans starting in 2020 or beyond that are not available currently as costs change over the life of the 3-year contract. Charts are provided in the ratification materials so you can see projections of where you will be each year of the Agreement.

Additionally, with an extension of our contracts for a 3-year term, we will not be going to full bargaining until 2022. Although there is an economic re-opener scheduled for 2020 and additional monies are already allocated as part of this TA to fix some problems starting in 2021, there may be some issues that are not addressed by this deal that will need to be addressed during the closed contract through member action.

Why would we get rid of Health Net? Health Net is an unsustainable plan whose costs are spiraling out of control. The 2019 premium increase alone is 14.74%. In some cases, the County has been providing extra subsidies to keep this plan afloat, but will not be doing so after 2019. The Coalition was able to win 100% coverage of the 2019 Health Net premium increases, but starting almost immediately after ratification, the Coalition will work with the County to find a replacement for Health Net for the 2020 plan year. The replacement we seek would provide some similar benefits (like access to the John Muir Medical Group), but actually be sustainable over time.

I waive health insurance, what's in this deal for me? The three-year deal includes 4%, 3%, 3% wage increases. It also provides for additional funds to address special compensation issues like equity adjustments, compaction, differentials, etc. Bargaining over those special compensation issues would begin in 2020. Also, the healthcare crisis affects everyone, whether they use county plans or not. Departments are struggling to recruit and retain staff because the County is not a competitive employer compared to surrounding jurisdictions. That puts strain on everyone's jobs, and on the services we provide to the public. Finally, our co-workers and their families who do need to be on a county healthcare plan are struggling, and standing with them is the right thing to do. Everyone should have access to affordable healthcare.

Do I have to be a Union Member to vote? YES. If you are not already a Local 21 Member, you can complete a Membership Application in-person when you cast your vote OR visit <https://ifpte21.org/GoldCard>.